



Mr. Ashok Ajmera, CMD

Mr. Ajmera's column as on March 21, 2015

Markets end lower, no major triggers ahead...

Benchmark share indices ended lower for the second consecutive week as traders booked profits at higher levels with power and realty shares leading the decline. Further, the uncertainty over the hike in interest rates by the US Federal Reserve and prospects of weak fourth quarter earnings also weighed on market sentiment.

In the week to March 20, the 30-share Sensex ended 242.22 points, or 0.84 per cent, lower at 28,261.08. The 50-share Nifty, the benchmark index of the National Stock Exchange, lost 76.85 points, or 0.88 per cent, as it slid to 8,570.90.

Following the duo's downward glide, the BSE Mid-Cap Index slumped 1.57 per cent and the BSE Small-Cap Index declined 3.12 per cent.

Foreign institutional investors were net buyers in Indian equities worth Rs 830 crore for the week, provisional stock exchange data showed.

The Wholesale Price Index-based for February contracted further to -2.06 percent compared with -0.39 percent in the previous month, because of drop in global crude oil prices.

The US central bank removed a reference to being "patient" on rates from its policy statement, opening the door wider for a hike in the next couple of months while sounding a cautious note on the health of the economic recovery.

With the Rajya Sabha's assent to the Mines and Minerals (Development and Regulation) Amendment Bill, 2015, (MMDRA) Bill 2015, Parliament has just passed a Bill.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

The Indian rupee gained against the Greenback for the entire week and ended at 62.46 with a gain of six paise on sustained selling of dollars, wrapping up its best week in about two months.

The BSE Realty and Power Index emerged as the top losers among the sectoral indices during the week down 3.5 per cent each followed by FMCG, Auto and Capital Goods indices.

Shares of the real estate companies declined across the exchange on profit taking. HDIL, Indiabulls Real Estate, Unitech, Sobha, Omax, Anant Raj Industries, NBCC, Mahindra Lifespace, Prestige and DLF lost up to 9 percent on the BSE.

NTPC, India's largest energy conglomerate, NTPC slumped nearly 9 percent after the stock turned ex-bonus debenture on Friday. As per scheme of arrangement, the existing shareholders will get bonus debentures of face value of Rs 12.50 each against each equity shares of Rs 10 held by its members.

The technology pack ended the week with gains. Infosys climbed 2 percent on reports that the company plans to focus on the products business and is in the process of including core banking software Finacle in its products and platform business EdgeVerve.

Wipro advanced 2.3 percent after it won a five-year contract from a US-based utility company, Greater Cincinnati Water Works.

On the other hand, HCL Technologies lost 2.6 percent after the stock turned ex-bonus in the ratio of 1:1 and Tech Mahindra fell 4 percent after the stock turned ex-bonus and ex-stock split.

Tata Motors, the largest manufacturer in Indian automotive industry, lost nearly 2 percent after China quality regulator directed the Tata Motors overseas arm Jaguar Land Rover to recall Range Rover Evoque SUVs because of defective gearboxes.

Sun Pharmaceuticals Industries, the pharmaceutical giant surpasses the State Bank of India (SBI), the country's largest public-sector lender in overall market capitalization (m-cap) ranking. The stock gained 1.5 percent.

Among banking majors, ICICI Bank, Axis Bank and SBI displayed 32 per cent, 23.97 percent and 18.62 percent jump in their advance tax payments to Rs 1,295, Rs 967 and Rs 1,720 crore, respectively, in the quarter. The stocks shed 3.38 percent, 2.3 percent and 1 percent respectively.

Mortgage lender HDFC ended nearly 1 percent up after the Board of Directors approved the payment of an interim dividend of Rs. 2 per equity share of face value of Rs. 2 each of HDFC, for the financial year 2014-15.

Global Markets



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

US stocks rose on Friday, pushing the Nasdaq to a 15-year high and helping the S&P 500 snap a three-week string of losses, following a pullback in the dollar, upbeat results from Nike and further biotech gains. Recent sharp gains in the US dollar have increased worries about the currency's impact on the earnings of US multinationals. S&P 500 earnings projections for the first quarter and for 2015 have fallen sharply since Jan. 1. For the week, the Dow gained 2.1 percent while the S&P 500 rose 2.7 percent, both snapping a three-week run of losses. The Nasdaq ended up 3.2 percent.

Outlook

The trend in global markets, investment by foreign portfolio investors (FPIs), the movement of rupee against the dollar, and crude oil price movement will dictate trend on the bourses.

Investors will patiently wait for the F&O expiry for the month of March on Thursday, 26 March 2015.

Idea Cellular and Yes Bank will replace DLF and Jindal Steel & Power in Nifty on Friday, 27 March 2015.

We believe most positive news has been priced in as the Indian markets trade around 10% above their long-term valuations. The Sensex currently trades at nearly 17 times its one-year forward earnings estimate. We are cautiously positive on selected stocks in the field of Capital goods, Infrastructure, Pharma and Banking.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Disclaimer

The content in this research report has been prepared by Ajcon Global Services Ltd. and is meant for the recipient for use as intended and not for circulation. The content in the research report should not be research reported or copied or made available to others. The information contained herein is from the public domain or sources believed to be reliable. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as decision such.

Ajcon Global Services Ltd. would not be responsible for any loss to the investors; they should verify all the fundamentals before investing. Ajcon Global Services Ltd., its directors and employees, will not in any way be responsible for the contents of this research report. This is not an offer to sell or a solicitation to buy any securities. The securities discussed in this research report may not be suitable for all investors. Investors must make their own investment based on their own investment objectives, goals and financial position and based on their own analysis.

Ajcon Global Services Ltd. proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We and our affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this research report certifies that all of the views expressed in this research report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this research report. Ajcon Global Services Ltd., may be considered as interested party in view of its relationship as the financial advisors and consultants to some of the companies discussed in the research report.

For research related queries contact:

Mr. Akash Jain – Vice President (Research) at research@ajcon.net

CIN: L74140MH1986PLC041941

Website: www.ajcononline.com

Corporate and Broking Division : 408 – (4th Floor), Express Zone, “A” Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel’s, Western Express Highway, Malad (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062

Registered Office: 101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40